

United States Senate

WASHINGTON, DC 20510-2202

October 17, 2008

The Honorable Henry Paulson
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Paulson:

The Treasury Department has announced that, under the authority provided by the Emergency Economic Stabilization Act, it is providing \$125 billion in taxpayer dollars to help recapitalize nine major U.S. financial institutions. One objective for injecting this new capital into these nine financial institutions is to unlock the credit markets to revive the U.S. economy. Yet your Department is in the process of providing billions in taxpayer dollars without getting any firm commitments that the recipients will use the funds to restore liquidity in the credit markets.

Responsible businesses can't get the short term funding they need to meet payrolls, buy inventory, or engage in routine financial transactions essential to a healthy economy. Part of the reason is that banks are hanging onto their cash. Simply sending taxpayer dollars to these banks isn't good enough. It is essential that Treasury also obtain firm commitments from individual banks to take the actions needed to get credit flowing again.

Sincerely,

A handwritten signature in black ink, appearing to read "Carl Levin", written in a cursive style.

Carl Levin